

P234 - PROPOSED DRAFT LEGAL TEXT

SECTION T: SETTLEMENT AND TRADING CHARGES

Annex T-1 was amended by P217 – Alternative which was approved by the Authority on 16 October 2008 with the implementation date of 5 November 2009. P234 proposes that Annex T-1 (as amended by P217 – Alternative) be further amended as follows –

Amend Annex T-1 as follows:

15. Replacement Price

Amend paragraph 15.3 and 15.5 as follows:

15.3 For the purposes of paragraphs ~~4.15.2:~~

- (a) if $\sum^w \text{QSB}_j^w \leq \text{RPAR}$, all Unflagged System Buy Actions in the NIV Tagged Ranked Set will be defined as Qualifying;
- (b) if $\sum^w \text{QSB}_j^w > \text{RPAR}$:
 - (i) the Unflagged System Buy Actions in the Classified Ranked Set shall be ranked in price order, lowest priced first;
 - (ii) as $\sum^w \text{QSB}_j^w > \text{RPAR}$ there must exist a number f and a number ϕ (which may be a fraction or zero) for which:

$$\text{RPAR} = (\sum^{w' v > f} \text{QSB}_j^{w'v} + \phi * ((\text{QSB}_j^{w'f}))$$

where

$\sum^{w' v > f}$ is the sum over those System Buy Actions for which v is greater than f .

- (iii) each of the System Buy Actions numbered $f+1$ or higher in the ranked set of Unflagged System Buy Actions for which this is true will be defined as Qualifying. If ϕ is a fraction rather than zero, then the fraction (ϕ) of the System Buy Action numbered f will be defined as Qualifying.

15.5 For the purposes of paragraphs ~~4.3~~ 15.4:

- (a) if $\sum^w -\text{QSS}_j^w \leq \text{RPAR}$, all Unflagged System Sell Actions in the NIV Tagged Ranked Set will be defined as Qualifying;
- (b) if ~~$\sum^{mw} -\text{QSS}_j^{mw} >$~~ RPAR :
 - (i) the Unflagged System Sell Actions in the Classified Ranked Set shall be ranked in price order, highest priced first;
 - (ii) as $\sum^w -\text{QSS}_j^w > \text{RPAR}$ there must exist a number f and a number ϕ (which may be a fraction or zero) for which:

$$\text{RPAR} = (\sum^{w' v > f} -\text{QSS}_j^{w'v} + \phi * ((-\text{QSS}_j^{w'f}))$$

where $\Sigma^{w' v>f}$ is the sum over those System Sell Actions for which v is greater than f;

- (iii) each of the System Sell Actions numbered f+1 or higher in the Replacement-Priced Ranked Set for which this is true will be defined as Qualifying. If ϕ is a fraction rather than zero, then the fraction (ϕ) of the System Sell Action numbered f will be defined as Qualifying.

Amend paragraph 16.1 as follows:

16. PAR Tagging

16.1 In respect of each Settlement Period, System Actions in the Replacement-Priced Ranked Set will be defined as PAR Tagged in the following way:

- (a) If:

$$\Sigma^{w'} \text{QSB}^{w'_j} \leq \text{PAR}$$

where $\Sigma^{w'}$ is the sum over the System Buy Actions in the Replacement-Priced Ranked Set

then none of the System Buy Actions (for all values of w') will be defined as PAR Tagged.

- (b) If $\Sigma^{w'} (\text{QSB}^{w'_j}) > \text{PAR}$ there must exist a number f and a number ϕ (which may be a fraction or zero) for which

$$\text{PAR} = \Sigma^{w' v>f} \text{QSB}^{w'_j} + \phi * \text{QSB}^{w'_f}$$

where $\Sigma^{w' v>f}$ is the sum over those System Buy Actions for which v is greater than f.

Subject to paragraph (f), each System Buy Action numbered 1 to f-1 in the Replacement-Priced Ranked Set for which this is true will be defined as PAR Tagged. If ϕ is a fraction rather than zero, then the fraction (1- ϕ) of the System Buy Action numbered f will be defined as PAR Tagged.

- (c) If:

$$\Sigma^{w'} (-\text{QSS}^{w'_j}) \leq \text{PAR}$$

where $\Sigma^{w'}$ is the sum over the System Sell Actions in the Replacement-Priced Ranked Set

then none of the System Sell Actions (for all values of w') will be defined as PAR Tagged.

- (d) If $\Sigma^{w'} (-\text{QSS}^{w'_j}) > \text{PAR}$ there must exist a number f and a number ϕ (which may be a fraction or zero) for which

$$\text{PAR} = (\Sigma^{w' v>f} (-\text{QSS}^{w'_j})) + \phi * ((-\text{QSS}^{w'_f}))$$

where $\Sigma^{w' v>f}$ is the sum over those System Sell Actions for which v is greater than f.

Subject to paragraph (f), each of the System Sell Actions numbered 1 to f-1 in the Replacement-Priced Ranked Set for which this is true will be defined as PAR Tagged. If ϕ is a fraction rather than zero, then the fraction $(1-\phi)$ of the System Seller Action numbered f will be defined as PAR Tagged.

(e) However, for each of paragraphs (b) and (d) (each a "relevant provision") separately, if the application of the relevant provision (the "initial calculation") would result in there being any System Buy Action or System Sell Action which:

- (1) is not defined as PAR Tagged, but
- (2) has the same price (including a NULL price) (other than merely by virtue of being a fraction ϕ pursuant to the initial calculation) as a System Buy Action or (as the case may be) a System Sell Action which is PAR Tagged,

then:

- (i) all such System Buy Actions $QSB^{w'_r j}$ or System Sell Actions $QSS^{w'_r j}$ (whether or not PAR Tagged) which have the same price are "threshold" System Actions;
- (ii) no threshold System Action shall be defined PAR Tagged pursuant to the relevant provision, but instead the fraction δ of each threshold System Buy Action $QSB^{w'_r j}$ or threshold System Sell Action $QSS^{w'_r j}$ which satisfies the following shall be defined as PAR Tagged:

$$\delta * (\sum^{w'_r} QSB^{w'_r j} = \sum^{w'_r} QSS^{w'_r j})$$

or (as the case may be)

$$\delta * (\sum^{w'_r} QSS^{w'_r j} = \sum^{w'_r} QSB^{w'_r j})$$

where

$\sum^{w'_r}$ is the sum over all threshold System Buy Actions or (as the case may be) threshold System Sell Actions, and

$\sum^{w'_r}$ is the sum over all threshold System Buy Actions or (as the case may be) threshold System Sell Actions (including a fraction $1-\phi$ thereof) which, on the basis of the initial calculation would have been defined as PAR Tagged.